

At the Regular Meeting of the Greenville County Water and Sewer Authority, held on Monday, June 18, 2012, at the conclusion of the Board of Supervisors meeting, in the Board Room of the Greenville County Government Building, 1781 Greenville County Circle, Emporia, Virginia

Present: Michael W. Ferguson, Chairman  
Dr. Margaret T. Lee, Vice Chairman  
James C. Vaughan  
Peggy R. Wiley

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Chairman Ferguson called the meeting to order.

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In Re: Closed Session

Mr. Whittington, Director, stated that Staff recommended the Authority go into Closed Session, Section 2.2-3711 (a) 1) Personnel Matters.

Mrs. Wiley moved, seconded by Dr. Lee, to go into Closed Session, as recommended by Staff. Voting aye: Dr. Lee, Mr. Vaughan, Mrs. Wiley and Chairman Ferguson.

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In Re: Regular Session

Mrs. Wiley moved, seconded by Mr. Vaughan, to go into Regular Session. Voting aye: Dr. Lee, Mr. Vaughan, Mrs. Wiley and Chairman Ferguson.

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In Re: Certification of Closed Meeting – Resolution #12-30

Mrs. Wiley moved, seconded by Dr. Lee, to adopt the following Resolution. A roll call vote was taken, as follows: Dr. Lee, aye; Mr. Vaughan, aye; Mrs. Wiley, aye and Chairman Ferguson, aye.

**RESOLUTION #WS-12-30  
CERTIFICATION OF CLOSED MEETING**

**WHEREAS**, the Greenville County Water and Sewer Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and

**WHEREAS**, Section 2.2-3712 of the Code of Virginia requires a certification by the Greenville County Water and Sewer Authority that such closed meeting was conducted in conformity with Virginia law:

**NOW, THEREFORE, BE IT RESOLVED** that the Greenville County Water and Sewer Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Greenville County Water and Sewer Authority.

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Chairman Ferguson recessed the meeting until the conclusion of the Board of Supervisors Meeting.

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Chairman Ferguson reconvened the meeting.

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In Re: Approval of Agenda

Mr. Whittington stated that Staff recommended approval of the Agenda with one added item- same Resolution that the Board adopted regarding financing.

Mrs. Wiley moved, seconded by Dr. Lee, to approve the Agenda as amended. Voting aye: Dr. Lee, Mr. Vaughan, Mrs. Wiley and Chairman Ferguson.

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In Re: Approval of the Consent Agenda

Mr. Whittington stated that Staff recommended approval of the Consent Agenda.

Mrs. Wiley moved, seconded by Mr. Vaughan, to approve the Consent Agenda consisting of the following items. Voting aye: Dr. Lee, Mr. Vaughan, Mrs. Wiley and Chairman Ferguson.

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Approval of Minutes for June 4, 2012

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Budgetary Matters:

Budgetary Matters consisting of the following: Fund #001 – Journal Voucher #18, in the amount of \$1,881.85 and Budget Amendment Resolution #WS-12-31, in the amount of \$222,450.00, both of which are incorporated herein by reference.

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Warrants:

Approval of Accounts Payable for June 18, 2012, in the amount of \$66,746.93

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In Re: Resolution #WS-12-32

Mr. Whittington stated that the following resolution was the same resolution that the Board of Supervisors had just adopted and that Staff was recommending approval due to the financing of the generator for the Jarratt Water Treatment Plant.

**RESOLUTION#WS-12-32 APPROVING ADDITIONAL FINANCING FOR THE COMMONWEALTH'S ATTORNEY OFFICE PROJECT AND FINANCING FOR THE JARRATT EMERGENCY GENERATOR PROJECT, ALL THROUGH A LEASE FINANCING ARRANGEMENT, AND FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED PRIME LEASE AND A LOCAL LEASE ACQUISITION AGREEMENT AND AMENDED AND RESTATED FINANCING LEASE, AND OTHER RELATED ACTIONS**

**WHEREAS**, the Board of Supervisors (the "Board of Supervisors") of Greensville County, Virginia (the "County") has included in its capital improvement program the undertaking, acquisition, construction, renovation and improvement of offices for use by the Commonwealth's Attorney (the "Commonwealth's Attorney Office Project"), as required by the Code of Virginia of 1950, as amended (the "Virginia Code");

**WHEREAS**, the County previously entered into a lease financing arrangement with the Virginia Resources Authority ("VRA") for a portion of the financing for the Commonwealth's Attorney Office Project from proceeds of VRA's Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2011A (the "Series 2011A VRA Bonds"), pursuant to the terms of a Local Lease Acquisition Agreement and Financing Lease, dated as of April 15, 2011, between the

County and VRA, and a Prime Lease, dated as of June 1, 2011, between the County and VRA, whereby the County leased all of the parcels of real estate on which the Commonwealth's Attorney Office Project is located (the "Real Estate"), and the associated improvements and property located thereon as part of the Commonwealth's Attorney Office Project (the "Improvements"), to VRA;

**WHEREAS**, the Board of Supervisors has determined that it is in the best interest of the County to obtain funding from VRA for additional costs associated with the Commonwealth's Attorney Office Project in an amount now estimated not to exceed \$436,600 as well as for the purchase, on behalf of the Greensville County Water and Sewer Authority (the "WSA"), of an emergency generator for the Jarratt Water Treatment Plant in an amount now estimated not to exceed \$333,900 (the "Jarratt Emergency Generator Project," and together with the Commonwealth's Attorney Office Project, the "Project");

**WHEREAS**, the Board of Supervisors is authorized, pursuant to Section 15.2-1800 of the Virginia Code, to lease any improved or unimproved land held by the County;

**WHEREAS**, Section 15.2-5147 of the Virginia Code authorizes the County to convey to the WSA any system or portion thereof, or any right or interest in such facilities or any property appertaining thereto, upon such terms and conditions as the Board of Supervisors determines to be in the best interest of the County;

**WHEREAS**, VRA intends to issue its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2012B (as more particularly defined in the below-defined Financing Lease, the "Series 2012B VRA Bonds"), and to make available to the County a portion of the proceeds of such bonds to finance the Project pursuant to the terms of a Local Lease Acquisition Agreement and Amended and Restated Financing Lease (the "Financing Lease"), between the County and VRA;

**WHEREAS**, the County intends to enter into an Amended and Restated Prime Lease (the "Prime Lease") with VRA whereby the County will continue to lease the Real Estate and Improvements to VRA and, pursuant to Section 15.2-1800 of the Virginia Code, the execution and delivery of the Prime Lease does not require that a public hearing be held by the Board of Supervisors;

**WHEREAS**, the County intends to enter into the Financing Lease with VRA pursuant to which VRA will continue to lease the Real Estate and the Improvements back to the County and the County will make rental payments corresponding in amount and timing to the debt service on the portion of the Series 2011A VRA Bonds and the Series 2012B VRA Bonds issued to accomplish the financing of the Project (the "Rental Payments");

**WHEREAS**, pursuant to the Financing Lease the County will undertake and complete the Project;

**WHEREAS**, the County intends to pay the Rental Payments from annual appropriations from the County's General Fund;

**WHEREAS**, the Financing Lease shall indicate an amount up to \$770,500 is the amount of additional proceeds requested (the "Proceeds Requested") from VRA from the Series 2012B VRA Bonds;

**WHEREAS**, VRA has advised the County that the sale date of the Series 2012B VRA Bonds is tentatively scheduled for July 11, 2012 but may occur, subject to market conditions, at any time between July 1, 2012 and July 31, 2012, and that VRA's objective is to pay the County an amount which, in VRA's judgment, reflects the market value of the payments under the Financing Lease (the "VRA Loan Pricing Objective"), taking into consideration such factors as the purchase price to be received by VRA for the Series 2012B VRA Bonds, the underwriters' discount and other issuance costs of the Series 2012B VRA Bonds (the "VRA Costs"), and other market conditions relating to the sale of the Series 2012B VRA Bonds;

**WHEREAS**, such factors may result in the County receiving an amount other than the par amount of the aggregate principal components of the Rental Payments with respect to the Proceeds Requested from the Series 2012B VRA Bonds and consequently the par amount of the aggregate principal components of the Rental Payments with respect to the Proceeds Requested from the Series 2012B VRA Bonds may be greater than the Proceeds Requested in order to receive an amount of proceeds that is not less than the Proceeds Requested; and

**WHEREAS**, the Prime Lease and the Financing Lease are referred to herein collectively as the "Documents."

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GREENSVILLE COUNTY, VIRGINIA:**

1. **Approval of Lease-Leaseback Arrangement.** The lease-leaseback and continued lease-leaseback arrangement with VRA to accomplish the financing of the Project is hereby approved. The County Administrator or Deputy County Administrator is authorized to determine the Real Estate and Improvements, as may be required by VRA, to be subject to the lease-leaseback arrangement.

2. **Approval of Prime Lease.** Subject to the terms and conditions set forth in paragraph 4 of this Resolution, the leasing and continued leasing of the Real Estate and the Improvements by the County, as lessor, to VRA, as lessee, pursuant to the terms of the Prime Lease is hereby approved.

3. **Approval of the Financing Lease.** Subject to the terms and conditions set forth in paragraph 4 of this Resolution, the leasing and continued leasing of the Real Estate and the Improvements by VRA, as lessor, to the County, as lessee, pursuant to the terms of the Financing Lease is hereby approved.

4. **Approval of the Terms of the Rental Payments.** The Rental Payments set forth in the Financing Lease with respect to the Proceeds Requested from the Series 2012B VRA Bonds shall be composed of principal and interest components reflecting an original aggregate principal amount not to exceed \$900,000, a true interest cost not to exceed 5.0% per annum (taking into account any original issue discount or premium), and a final rental payment date not later than December 31, 2042.

It is determined to be in the best interest of the County to accept the offer of VRA to enter into the Financing Lease with the County for an amount determined by VRA to be fair, subject to the conditions set forth in this Resolution, which Financing Lease shall be executed by the Chairman, the Vice Chairman or the County Administrator, any one of whom may act. Given the VRA Loan Pricing Objective and market conditions, it may become necessary to enter into the Financing Lease with aggregate principal components of the Rental Payments with respect to the Proceeds Requested from the Series 2012B VRA Bonds greater than the Proceeds Requested. If the limitation on the maximum aggregate principal components of Rental Payments with respect to the Proceeds Requested from the Series 2012B VRA Bonds on the Financing Lease set forth in this paragraph 4 restricts VRA's ability to generate the Proceeds Requested, taking into account the VRA Costs, the VRA Loan Pricing Objective and market conditions, the County Administrator or Deputy County Administrator is authorized to enter into the Financing Lease for an amount less than the Proceeds Requested.

The actions of the Chairman, the Vice Chairman and the County Administrator, any one of whom may act, in accepting the final terms of the Rental Payments with respect to the Proceeds Requested from the Series 2012B VRA Bonds and the compliance of the financing of the Project with the limits and conditions set forth in this paragraph 4 shall be conclusive, and no further action shall be necessary on the part of the Board of Supervisors.

5. **Other Payments under Financing Lease.** The County agrees to pay all amounts required by the Financing Lease, including any amounts required by Section 5.1(b) of the Financing Lease, including the "Supplemental Interest," as provided in such section.

6. **Execution and Recordation of Documents.** The Chairman, the Vice Chairman and the County Administrator, any one of whom may act, are authorized and directed to execute the Documents and deliver them to the other parties thereto. The Chairman, the Vice Chairman and the County Administrator, any one of whom may act, are further authorized to cause the Documents to be recorded in the Clerk's Office of the Circuit Court of Greensville County, Virginia.

7. **Form of Documents.** The Documents shall be in substantially the forms on file with the County Administrator, which are hereby approved with such completions, omissions, insertions and changes as may be approved by the Chairman, the Vice Chairman and the County Administrator, any one of whom may act, with the

execution and delivery of the Documents by the Chairman, the Vice Chairman and/or the County Administrator constituting conclusive evidence of the approval of any such completions, omissions, insertions, and changes.

8. **Essentiality of the Project.** The Project is hereby declared to be essential to the efficient operation of the County, and the County anticipates that the Project will continue to be essential to the operation of the County during the term of the Financing Lease.

9. **Conveyance of Jarratt Emergency Generator Project.** The County is financing the Jarratt Emergency Generator Project on behalf of the WSA and shall convey and transfer the Jarratt Emergency Generator Project to the WSA pursuant to Section 15.2-5147 of the Virginia Code. The County Administrator or Deputy County Administrator is authorized and directed to take whatever actions are necessary and/or appropriate and to enter into any arrangements with the WSA to accomplish such conveyance and transfer.

10. **Annual Budget.** While recognizing that it is not empowered to make any binding commitment to make Rental Payments and any other payments required under the Financing Lease beyond the current fiscal year, the Board of Supervisors hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards of Supervisors do likewise during the term of the Financing Lease. The Board of Supervisors directs the County Administrator or Deputy County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Financing Lease an amount sufficient to pay the Rental Payments and all other payments coming due under the Financing Lease during such fiscal year. If at any time during any fiscal year of the County throughout the term of the Financing Lease, the amount appropriated in the County's annual budget in any such fiscal year is insufficient to pay when due the Rental Payments and any other payments required under the Financing Lease, the Board of Supervisors directs the County Administrator or Deputy County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board of Supervisors at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

11. **Rental Payments Subject to Appropriation.** The County's obligation to make the Rental Payments and all other payments pursuant to the Financing Lease is hereby specifically stated to be subject to annual appropriation therefor by the Board of Supervisors, and nothing in this Resolution or the Documents shall constitute a pledge of the full faith and credit nor taxing power of the County or compel the Board of Supervisors to make any such appropriation.

12. **Disclosure Documents.** The County authorizes and consents to the inclusion of information with respect to the County to be contained in VRA's

Preliminary Official Statement and VRA's Official Statement in final form, both to be prepared in connection with the sale of the Series 2012B VRA Bonds. If appropriate, such disclosure documents shall be distributed in such manner and at such times as VRA shall determine. The County Administrator and Deputy County Administrator are authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12, as amended.

13. **Tax Documents.** The Chairman, the Vice Chairman and the County Administrator, any one of whom may act, are authorized to execute a Nonarbitrage Certificate and Tax Compliance Agreement or any related document to be delivered simultaneously with the issuance and delivery of the Financing Lease (the "Tax Documents") setting forth the expected use and investment of the proceeds of the Series 2012B VRA Bonds to be received pursuant to the Documents and containing such covenants as may be necessary in order for the County and/or VRA to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the Series 2012B VRA Bonds and the Documents including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The County covenants that the proceeds of the Series 2012B VRA Bonds to be received pursuant to the Documents will be invested and expended as set forth in the Tax Documents and that the County shall comply with the other covenants and representations contained therein.

14. **SNAP Investment Authorization.** The Board of Supervisors hereby determines that it is in the best interests of the County to authorize and direct the County Treasurer and Director of Finance to participate in the State Non-Arbitrage Program ("SNAP") in connection with the investment of the proceeds of the lease-leaseback transaction. The Board of Supervisors acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the documents provided in connection with SNAP.

15. **Other Actions.** All other actions of the officers of the County in conformity with the purpose and intent of this Resolution are hereby approved and confirmed. The officers of the County are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the execution and delivery of the Documents.

16. **Repeal of Conflicting Resolutions.** All resolutions or parts of resolutions in conflict herewith are hereby repealed.

17. **Effective Date.** This Resolution shall take effect immediately.

Mrs. Wiley moved, seconded by Dr. Lee, to approve Resolution #WS-12-32. Voting aye: Dr. Lee, Mr. Vaughan, Mrs. Wiley and Chairman Ferguson.



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There being no further business to discuss, Mrs. Wiley moved, seconded by Dr. Lee, to adjourn the meeting. Voting aye: Dr. Lee, Mr. Vaughan, Mrs. Wiley and Chairman Ferguson.

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Michael W. Ferguson, Chairman  
Greenville County Water and Sewer Authority